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 JEANNE LONG
 ACQ. EDITOR
 CONGRESSIONAL INFORMATION SV
 4520 EAST WEST HY 800
 BETHESDA MD 20814

RV BUSINESS

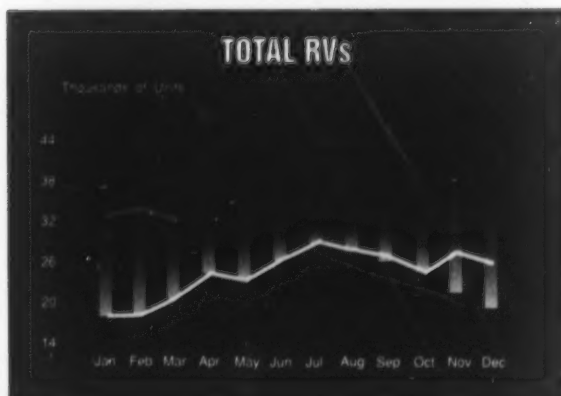
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COVER: Open House Photo of Farber East, Columbus, Ohio, by Eric Albrecht; Computer Graphics by Carol Henry; Data from Morton Marcus; Terry travel trailer tail-section, Fleetwood Enterprises Inc.

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by John Thompson

Poor Telephone Experience

is the result of 68% of lost business, says Bill Morgan, service manager at Giant Recreation World. Writing in the March 1992 issue of the Florida RV Trade Association's FRVTA News, Bill cites studies that show the damaging effects of indifferent phone manners, unanswered extensions and putting people on hold too long while force-feeding them recorded messages about how great the company is. Bill's point is that anyone in your organization who handles a phone is an "MIP," the Most Important Person who represents the entire company. They need to know how vital they are and, if necessary, be taught the skills to make the kind of impressions that invite customers to buy, as well as to put regulatory agency callers in a good mood.

Singing for Sales

"I just had the greatest show in 27 years of business," exclaims Bill Thomas (Bill Thomas Camper Sales, Bridgeton, Mo.). Certainly the overall retail mood was better, but Bill took out a little insurance. "I hired this old fellow who has a Model T camper and tows an outhouse. He dressed up in period clothing and sat in the middle of my display playing the guitar and making up songs for the people, things like, 'My Wife Left Me for an Airstreamer.'" Those impromptu ditties may never make the Grammys, but they surely had gold labels for Bill.

A Matter of Taste

A Good Samaritan tells me that he saw this sign posted in the office of a Southwestern campground: "We're proud of our water. It has been personally passed by the management."

Hold That Price

Virginia dealer Scott Myers notes that tent-camper buyers in his Washington, D.C., market area seem to be holding their own price line. "A few years ago, they were buying the big boxes for \$2,995. When prices went up, they bought 12-foot boxes that unfolded into 24 feet, then 8-foot boxes, while still paying \$2,995. I suppose soon we'll be selling pup tents for \$2,995." But it's not consumers being arbitrary or unfair, Scott observes. It's that their costs of living, especially mortgage payments, have escalated so that it's impossible to devote as much of their income to recreation as they used to.

Who's Got the Bucks?

The Census Bureau's latest information concerning household income is based on its 1990 survey of U.S. families. Here's some food for thought from that data and some from the survey of Good Sam Club members, who are demographically typical of active RVers, from the same year (note that age categories do not compare exactly, but you'll get the point):

U.S. HOUSEHOLDS		GOOD SAM CLUB MEMBERS		
Age of Householder	Median Household Income	Age of Member	Median Household Income	Average Net Worth
25-34	30,359	25-34	41,700	140,600
35-44	38,561	35-44	51,100	157,700
45-54	41,922	40-49	53,800	184,802
55-64	32,365	60-64	39,300	291,900
65-74	20,292	65-69	33,100	280,600
75+	13,150	70+	28,900	245,600

Betting on RV Destinations

For an interesting new source of RV destination travel, watch the progress of Grand Casinos, Inc. This small but rapidly growing company develops and manages casino gaming facilities on Native American land, under the 1988 Indian Gaming Regulatory Act. Thus far, it is focusing on sites within a two-hour drive of major population centers and where there are natural recreation opportunities (fishing, hiking, etc.) for vacationers to enjoy. It's a creative alternative to the glitz of Las Vegas, and plenty of RV facilities are part of the Grand Casino formula.

New Recall Rules

Congress now says that dealers may not sell vehicles or replacement equipment that have been recalled by either the manufacturer or NHTSA, without first correcting the safety-related problem. The products may be displayed and offered for sale or lease but can't be delivered to the consumer before the flaw is remedied. It is the manufacturer's responsibility to notify the dealer of the recall situation. This comes from an amendment to Section 154 of the National Traffic and Highway Safety Act of 1966 (15 U.S.C. 1414).

See How Far We've Come...

"The budget should be balanced, and the treasury should be refilled. Public debt should be reduced, the arrogance of officialdom should be tempered and put under control, and assistance to foreign lands should be reduced lest the state become bankrupt. The people should be forced to work and not depend on government for subsistence." - Marcus Tullius - 106 BC. Δ

John Thompson is a vice president of TL Enterprises Inc. and is based at the company's Agoura Hills, Calif., headquarters.

'92 Gains Suggest Time for the Game Plan



East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain:** Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast:** Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific:** Alaska, California, Oregon, Washington, Hawaii; **South Atlantic:** Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central:** Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Central:** Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama.

RV TRAILERS, FEBRUARY '92			
Feb. '92 Rank	Region	% of Change from Feb. '91	Jan. '92 Rank
1	W.N. Central	85.5	3
2	Mountain	53.6	1
3	E.N. Central	44.8	5
4	S. Atlantic	29.5	7
5	S. Central	22.3	2
6	Northeast	19.6	4
7	Pacific	15.0	6

Figure 1

RV TRAILERS, YEAR-TO-DATE			
Feb. '92 Rank	Region	% of Change Year-to-Date	Jan. '92 Rank
1	W.N. Central	69.6	5
2	Mountain	40.3	2
3	E.N. Central	28.9	4
4	S. Atlantic	25.1	7
5	Northeast	23.3	3
6	S. Central	22.3	1
7	Pacific	5.8	6

Figure 2

MOTORHOMES, FEBRUARY '92			
Feb. '92 Rank	Region	% of Change from Feb. '91	Jan. '92 Rank
1	Northeast	43.4	4
2	Mountain	23.7	1
3	E.N. Central	13.9	5
4	S. Central	11.0	2
5	Pacific	7.4	6
6	S. Atlantic	6.7	4
7	W.N. Central	1.8	3

Figure 3

MOTORHOMES, YEAR-TO-DATE			
Feb. '92 Rank	Region	% of Change Year-to-Date	Jan. '92 Rank
1	Northeast	28.0	3
2	Mountain	18.3	2
3	S. Central	18.1	1
4	E.N. Central	11.1	4
5	W.N. Central	3.4	5
6	Pacific	.9	6
7	S. Atlantic	.5	7

Figure 4

motorhomes gained 12.5% (291 units) from the same month of '91. February 1991 sales are described by region in figures 1-4, which rank seven regions of the nation according to their performance.

Overall, sales figures for the month showed improvement from February 1991, although 1991 was the roughest year since the outset of the decade, due primarily to the effects of the Gulf War. While it is important to realize that the motorhome industry is still below the preceding-five-year average of 6,142 units, and RV-trailer sales are just 6% above their corresponding average of 10,600 units, the long-awaited upturn from the 1991 disaster is a welcome sight.

Current increases signal a call for the industry to plot a long-term game plan. This is the time to review cost, quality and product design, coupled with consumer need, for both current and future markets. Do not be blinded by the encouraging light of 1992 retail market increases. *Δ—Thomas Walworth*

Laying the foundation of reconstruction, the industry continued to log gains during the first two months of 1992, with a 24.4% increase in RV-trailer sales (2,204 units)

and an 8% climb in motorhome sales (357 units) from the same period of 1991.

RV-trailer sales this February were up 31.6% (1,640 units) from February '91, and

Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics for 30 years to the RV industry. Statistical Surveys is an acknowledged leader in the RV statistical field.

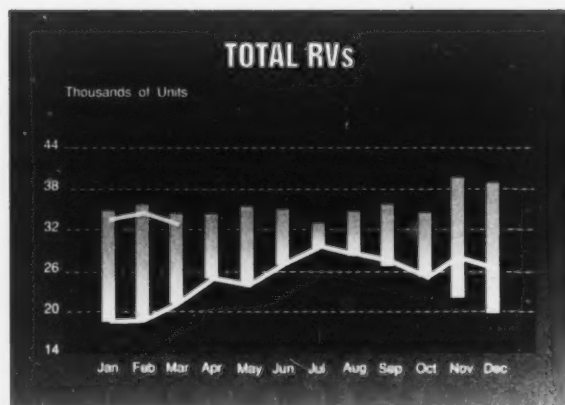


Figure 1

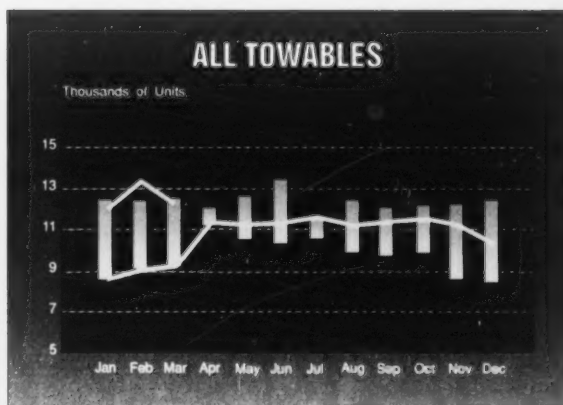


Figure 2

□ 1988-91 Shipments Range
 □ 1991 Monthly Shipments
 □ 1992 Monthly Shipments

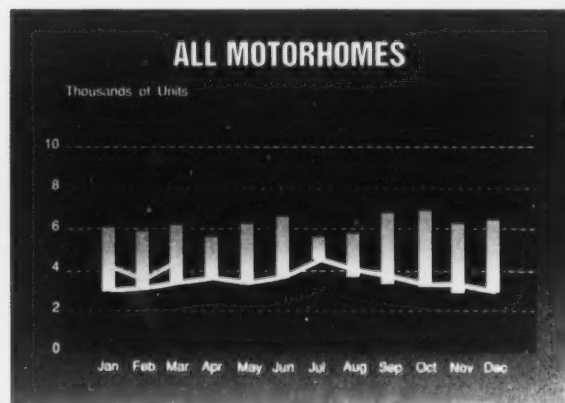


Figure 3

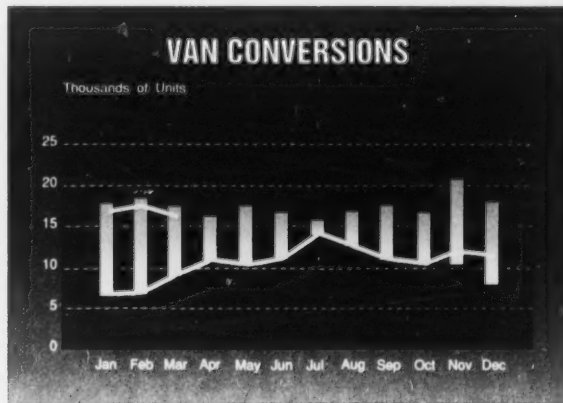


Figure 4

March Shipments Show Continued Gain From '91

Overall RV shipments in March of this year soared above those of March '91 by 50.8%, despite a slight dip, (-4.3%) from February '92, according to figures reported by RVIA and then seasonally adjusted. Year-to-date, total RV shipments overshadowed those of the same period of '91 by a healthy 72.8% to reach 100,630 units—a significant increase even in light of the effect that the Gulf War had on shipments last year.

While experiencing a 7.9% drop in March from the preceding month, towables yet increased from March '91 by 34.7%. Motorhome shipments rose 17.4% from February '92 and passed up March '91 by 29.6%. Van Conversion shipments during March were 6.2% fewer than those of February but, again, showed strong improvement (73.4%) over March '91. As seen in Figures 1-4, 1992 shipments in three of the four categories are forging along the upper portion of the graphs. Motorhomes also rose during March, lending encouragement for the upcoming, traditionally strong season. ▽

Statistical data is supplied by Mark A. Martin, director of the Indiana Business Research Center at Indiana University, School of Business and a member of the faculty.

COMPUTER GRAPHICS: CAROL HEWITT

ANNUAL & MONTHLY COMPARISONS OF SHIPMENTS

Type of Units	Mar. '92	% Change From Feb. '92	% Change From Mar. '91	Year-to-Date 1992	% Change From '91	% Market Share '92
TOTAL RVs	32,920	-4.3	50.8	100,630	72.8	100.00
Travel Trailers						
Conventional	4,490	9.3	26.8	13,800	35.7	13.71
Park Models	640	6.7	20.8	1,730	21.8	1.72
Fifth wheels	320	90.2	83.8	9,400	61.8	9.34
All Travel Trailers	6,300	6.0	37.4	24,940	43.3	24.78
Folding Trailers	3,080	9.4	34.9	9,700	33.8	9.64
Truck Campers	80	91.8	88.7	2,770	33.8	2.75
TOTAL TOWABLES	12,180	-7.9	34.7	37,410	40.0	37.18
Motorhomes						
Class A	2,490	19.7	29.0	6,920	43.6	6.88
Class B	270	13.4	3.6	770	23.8	0.77
Class C						
Mini	1,940	19.7	45.7	3,850	53.4	3.83
Low profiles	0	0.0	0.0	0	0.0	0.00
Micro-minis	180	50.0	0.0	440	18.5	0.44
Class C Total	1,490	19.7	39.3	4,290	40.7	4.26
TOTAL MOTORHOMES	4,250	17.4	29.6	11,980	34.9	11.90
Van Conversions	1,400	6.2	73.4	51,240	126.5	50.92